

# Dalmia Cement (Bharat) Ltd

## Financial Results

for the Quarter ended June 2008 (Q1'09)

July 22, 2008

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# Financial Results

Unaudited Standalone Financial Results for the 1st Quarter ended 30-6-2008				
S.No.	Particulars	(Rs. Lakhs)		
		For the Quarter ended (Unaudited)		For the year ended (Audited)
		30-06-08	30-06-07	31-03-08
1	Gross Sales	47,479	40,213	169,080
	Less: Excise Duty	6,020	5,397	21,013
	Net Sales	41,459	34,816	148,067
2	Other Income	845	6,739	16,455
3	<b>Total Revenue</b>	<b>42,304</b>	<b>41,555</b>	<b>164,522</b>
4	<b>Expenditure</b>			
	(a) (Increase) / Decrease in Stock in trade and work in progress	4,529	(679)	(18,951)
	(b) Consumption of Raw Materials	3,988	9,240	46,638
	(c) Purchase of traded goods	-	-	376
	(d) Employees Cost	2,254	1,810	8,487
	(e) Depreciation	2,052	2,128	8,640
	(f) Power and Fuel	9,611	6,095	28,875
	(g) Freight Charges	3,169	3,327	11,731
	(h) Other Expenses	5,701	7,439	24,025
	<b>Total Expenditure</b>	<b>31,304</b>	<b>29,360</b>	<b>109,821</b>
5	<b>Interest</b>	3,441	2,233	11,291
6	<b>Earnings before Tax (3-4-5)</b>	<b>7,559</b>	<b>9,962</b>	<b>43,410</b>
7	Tax Expense			
	Current tax (net of MAT Credit)	474	1,129	5,134
	Deferred tax	2,009	627	3,372
	Fringe Benefit tax	30	22	189
8	<b>Profit after Tax (6-7)</b>	<b>5,046</b>	<b>8,184</b>	<b>34,715</b>
9	Paid-up Equity Share Capital-Face Value Rs. 2/- each	1,617	855	1,617
10	Reserves excluding Revaluation Reserves			105,868
11	Earning per Share			
	Basic (Rupees)	6.24	19.15	69.70
	Diluted (Rupees)	6.23	10.43	69.51
12	Aggregate of Public Share Holding			
	Number of Shares	3,64,97,453	2,54,39,376	3,64,97,453
	Percentage of Shareholding	45.15%	59.54%	45.15%

Quarterly Reporting on Segment Wise Revenues, Results and Capital Employed under Clause 41 of the Listing Agreement				
S.No.	Particulars	(Rs. Lakhs)		
		For the Quarter ended (Unaudited)		For the year ended (Audited)
		30-06-08	30-06-07	31-03-08
1	<b>Segment Revenues (net of Excise Duty)</b>			
	(a) Cement	32,018	26,793	112,224
	(b) Sugar	5,362	5,296	21,307
	(c) Power	1,869	1,836	12,947
	(d) Others	2,831	1,700	8,911
		42,080	35,625	155,389
	Less: Inter Segment Revenue	621	809	7,322
	<b>Net Segment Revenue</b>	<b>41,459</b>	<b>34,816</b>	<b>148,067</b>
2	<b>Segment Results</b>			
	(a) Cement	12,147	11,333	45,735
	(b) Sugar	(1,036)	(585)	(3,686)
	Less: Write down of inventories to market value	-	1,297	1,297
		(1,036)	(1,882)	(4,983)
	(c) Power	781	288	5,312
	(d) Others	595	208	621
		<b>12,487</b>	<b>9,947</b>	<b>46,685</b>
	Add : Other unallocable income net of unallocable expenditure	(1,487)	2,248	8,016
	Less : Interest	3,441	2,233	11,291
	<b>Total Profit before Tax</b>	<b>7,559</b>	<b>9,962</b>	<b>43,410</b>
3	<b>Segment Capital Employed</b>			
	(a) Cement	64,543	56,359	67,005
	(b) Sugar	53,054	33,244	47,123
	(c) Power	28,348	21,687	29,114
	(d) Others	6,177	23,570	17,878
	<b>Total</b>	<b>152,122</b>	<b>134,860</b>	<b>161,120</b>

## Notes

- 1 Provision for Taxation has been made u/s 115JB of The Income Tax Act, 1961 (MAT) based on the anticipated taxable income for the year as a whole.
- 2 Figures for corresponding previous year/quarter have been regrouped and rearranged wherever considered necessary.
- 3 No. of Investors complaints:
  - (a) At the beginning of the quarter: Nil
  - (b) Received and Resolved during the quarter: 35
  - (c) At the end of the quarter: Nil
- 4 **Share of Profit in Associate Company OCL India Limited for the quarter ended 30th June,08 is Rs.828 Lakhs which is not included in the above results.**
- 5 The above results have been taken on record by the Board of Directors in their meeting held on 22-7-2008 and have been reviewed by the Statutory Auditors of the Company.

For Dalmia Cement (Bharat) Ltd.

New Delhi  
22nd July, 2008

P.K. Khaitan  
Chairman

## ■ Income

- Net Sales : Rs 415 crs; ↑19% YoY
- Total Income : Rs 423 crs ↑ 2% YoY

## ■ Profit

- Operating Profit : Rs 131 crs ↓ 8% YoY
- Net Profit : Rs 50 crs ↓ 38% YoY
- OPM : 31%
- NPM : 12%

## ■ Funds

- Term Loans : Rs 1,560 crs
- Cash & equivalents : Rs 406 crs

## ■ Growth Plans firm up

- 4.5 MnTPA green field projects on stream in DCBL
- 2 MnTPA expansion in OCL on schedule
- To further expand cement capacity by 10 MnTPA in subsidiary

(In Rs. Crore)	Q1'08	Q1'09	Growth
Gross Sales	402	475	18%
<b>Net Sales</b>	<b>348</b>	<b>415</b>	<b>19%</b>
Total Income	416	423	2%
<b>EBITDA</b>	<b>143</b>	<b>131</b>	<b>-9%</b>
Interest	22	34	54%
Depreciation	21	21	-4%
Tax	18	25	41%
<b>Net Profit</b>	<b>82</b>	<b>50</b>	<b>-38%</b>

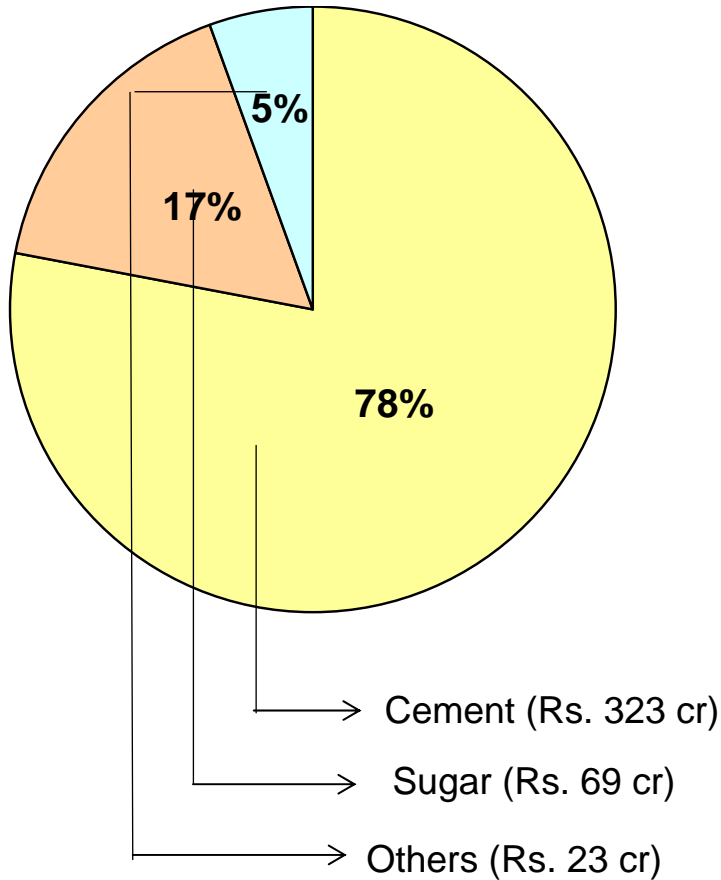
- Net sales grow 19% at Rs 415 crs
  - Improved realizations : cement 14% ; sugar 11%
  - Volume growth of 5% in cement business
- EPS for the quarter stands at Rs 6.23 (share FV Rs. 2 each)
  - Lower Other Income, higher Interest Cost and Tax impact Profits



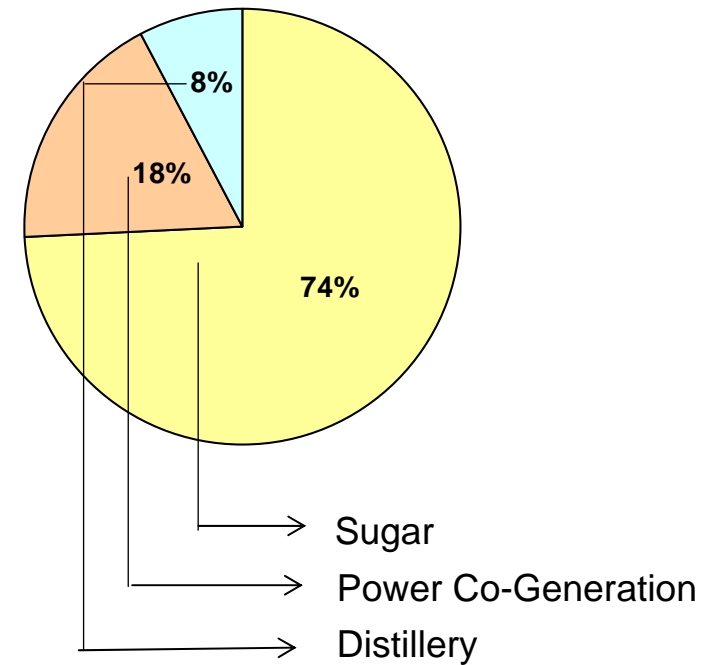
Period ending (Rs In crores)	Q1'08				Q1'09			
	Cement	Sugar	Others	Total	Cement	Sugar	Others	Total
Gross Sales	318	66	18	402	376	74	25	475
YoY%					18%	13%	34%	18%
<b>Net Sales</b>	271	61	17	348	<b>323</b>	<b>69</b>	<b>23</b>	<b>415</b>
YoY%					19%	13%	33%	19%
Other Income	2	1	65	68	2	3	3	8
<b>Total Income</b>	272	61	82	416	<b>326</b>	<b>72</b>	<b>26</b>	<b>423</b>
YoY%					20%	17%	-69%	2%
Operating Expenses	147	69	57	273	191	67	34	293
<b>EBIDTA</b>	126	-8	25	143	<b>134</b>	<b>5</b>	<b>-9</b>	<b>131</b>
YoY%					7%	158%	-134%	-9%
EBIDTA Margins %	46%	-13%	147%	41%	42%	7%	-38%	31%
Depreciation				21				21
<b>EBIT</b>				122				<b>110</b>

*Cement includes windfarm business; Sugar includes Cogeneration and Ethanol businesses*

- Cement Sales grow 19% at Rs. 323 crs
- Cement EBIDTA grows 7%, OPM at 42%
  
- Integrated Sugar Sales grow 13% at Rs.69 crs
- Integrated Sugar EBITDA positive at Rs.5 crs, OPM 7%



Integrated Sugar Mix



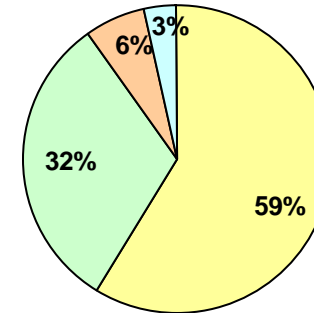
# Cement Business

- Installed Capacity
  - All India : 203.5 MnT
  - South : 57.3 MnT
- Expected Annual Additions
  - All India : 32 MnT
  - South : 11 MnT
- Q1'09 Demand growth (Y-o-Y)
  - All India : 8.2%
  - Tamil Nadu : 9.4%
  - Kerala : 6.0%
  - West Bengal : (5.6%)
  - Orissa : 8.5%
- Q1'09 Pricing (Y-o-Y)
  - All India Cement : 4.4%
  - South Cement : 6.9%
  - Coal : 129%
  - Fly Ash : 36%
  - Gypsum : 122%

Volumes	Units	Q1'08	Q1'09
Production Volumes	'000 T	825	859
Sales Volumes	'000 T	838	878

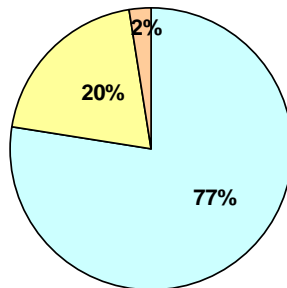
**Sales volumes up 5%**

**Cement Geographic Mix**



■ Tamil Nadu ■ Kerala ■ Karnataka ■ Others

**Product Mix**



■ PPC ■ OPC ■ Others

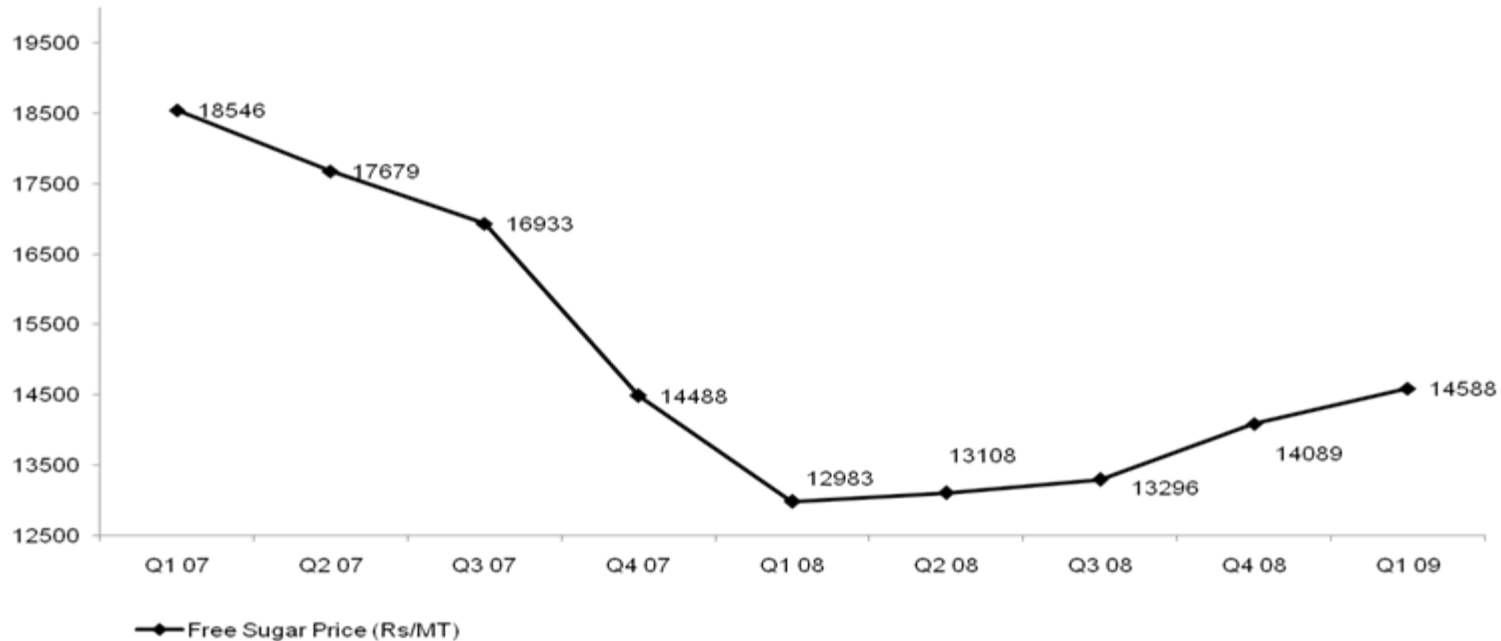
**Cement Clinker Ratio 1.39**

Per Tonne Analysis (Rs/T)	Q1'08	Q1'09
Net Sales Realization	3,197	3,645
EBITDA	1,470	1,495

# Integrated Sugar Business

## ■ Sugar

- Low availability of Cane affects production of sugar
- Annual All India production estimated to be approximately 20% lower
- Realizations improve, current rates around Rs 16000 /T



- Distillery
  - Fuel Blending from 5% to 10% to benefit industry players
  - Realizations move upwards
  
- Co-generation
  - Higher tariff announced for off season operations.



<b>Operational Metrics Sugar</b>	<b>Units</b>	<b>Q1'08</b>	<b>Q1'09</b>
Crushed cane	T	431,247	15,136
Production Volume	T	42,116	1,697
Sales Volumes	T	38,404	31,180
Sales Realizations	Rs/T	13,108	14,555

- Lower cane availability in the State of U.P. impacts volumes
- Reduced crushing days in the quarter across three plants
- Realizations improve 11% YoY

## Co-generation Unit

<b>Cogen</b>	<b>Units</b>	<b>Q1'08</b>	<b>Q1'09</b>
Installed Capacity	MW	79	79
Power generated	lakh kwh	461	475
Power Exported	lakh kwh	290	401

## Distillery Unit

<b>Distillery</b>	<b>Units</b>	<b>Q1'08</b>	<b>Q1'09</b>
Installed Capacity	KLPD	80	80
Production Volumes	KL	980	3,762
Sales Volumes	KL	-	2,805

# Projects Update

- Two green-field projects underway
  - One in new geography, Kadapah in Southern Andhra Pradesh
    - expected commissioning in Second half of CY2008
  - Second in Ariyalur, Tamil Nadu
    - commissioning in first half of CY2009
- Full DCBL capacity to reach 8 MnTPA, post commissioning
  - Cement capacity of 2.25 MnTPA each
- Progress
  - Major land areas acquired
  - Engineering work completed for AP
  - Plant and equipment supplies received fully for AP
  - Civil construction and erection work progressing well
- Incurred Rs 750 crore as Capex for the above projects till Jun'08



Kadapa, AP Cement Plant



Ariyalur, TN Cement Plant

- Plans to set up green-field cement plants
- Upto 10 MnTPA capacity in a phased manner
- Across different locations in India
- Under subsidiary, Dalmia Cement Ventures Limited

# Share Performance

# Share Price Vs SENSEX





Please join for **Investor Conference Call** to be chaired by  
the Managing Director, Mr. Puneet Dalmia on

**July 23, 2008 at 1700 hrs**

Call in numbers:

**Mumbai Main Access :022 2781 3222**

**Mumbai Standby Access :022 6776 3922**

**For queries and comments please contact us at**

Investor Relations

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